

ASCENSION-ST. JAMES AIRPORT AND
TRANSPORTATION AUTHORITY
BASIC FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORTS
YEAR ENDED JUNE 30, 2007

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3/12/08

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INDEPENDENT AUDITORS' REPORT

To the Authority Members
Ascension-St. James Airport and
Transportation Authority

We have audited the accompanying financial statements of the governmental activities, of the Ascension-St. James Airport and Transportation Authority (the Authority), as of and for the year ended June 30, 2007, which comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the Authority, as of June 30, 2007, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2008, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 2 through 7 and page 26, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Latuso & Johnson, CPA, LLC

Gonzales, Louisiana
January 23, 2008

ASCENSION-ST. JAMES AIRPORT AND TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007

This section of the Authority's annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal year that ended on June 30, 2007. Please read it in conjunction with the Authority's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- Grant income increased by just under \$90,000
- Fee revenues such as hangar & tie downs and fuel commission increased due to the new hangars which were placed into service in February.
- Interest income increased by approximately \$17,000 due to bond proceeds being invested during the year.
- Net assets (from the "Full Accrual" financial statements) decreased by \$47,145.
- Fund balance (from the "Modified Accrual" financial statements) increased by \$170,621.

OVERVIEW OF THE FINANCIAL STATEMENTS

This financial statements consist of managements discussion and analysis (this section), the basic financial statements and the required supplementary information. The basic financial statements include two kinds of statements that present different views of the Authority:

- The first two statements are *government-wide* financial statements that provide both long-term and short-term information about the Authority's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Authority government, reporting the Authority's operations in more detail than the government-wide statements. The *governmental funds* statements tell how the Authority's services, were financed in the short term as well as what remains for the future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another and summarizes the major features of the Authority's financial statements.

Figure A-1
Major Features of Authority's Government and Fund Financial Statements

	Government-wide Statements	Fund Statements Governmental Funds
Scope	Entire Authority government	The activities of the Authority that is not Proprietary or fiduciary (For the purposes of these statements, it also covers the entire Authority government.

ASCENSION-ST. JAMES AIRPORT AND TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007

Required financial statements	Statement of net assets Statement of activities	Balance Sheet Statement of revenues, expenditures, and changes in fund balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting current financial resources focus
Type of asset/liability financial information	All assets and liabilities, both and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or or soon thereafter, no capital assets or bonds payable included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payments are due during the year or soon thereafter

Government-wide Statements

The government-wide statements report information about the Authority as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Authority's net assets and how they have changed. Net assets—the difference between the Authority's assets and liabilities—is one way to measure the Authority's financial health, or position.

ASCENSION-ST. JAMES AIRPORT AND TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007

Governmental Activities

The Authority's fund balance increased \$170,621 year ended June 30, 2007. (Fund balance reflects modified accrual basis accounting) Revenues for the Authority's governmental activities increased 80%, while total expenses increased almost five fold. This is because of the capital outlay associated with the construction of hangars.

Table A-2
Changes in Authority's Fund Balance
Governmental Activities

	2007
Revenues	
Program revenues	
• Charges for services	\$132,042
• Interest	19,704
• Grants	129,509
• Other income	3,054
Total Revenues	\$284,309
• Proceeds from bond issue	738,642
Expenses	
• Transportation	105,369
• Capital outlay	746,961
Total Expenses	852,330
Increase in fund balance	\$170,621

ASCENSION-ST. JAMES AIRPORT AND TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007

General Fund Budgetary Highlights

Over the course of the year, the Authority did not revise its budget. Budgeted income (other than grants) was \$117,240. Actual income (other than grants) was \$154,800. Budgeted operating expenses (other than construction and depreciation) were \$109,240 and actual operating expenses were \$128,468. The differences are primarily due to the additional interest income on the invested proceeds from the bond, interest expense for the bonds issued and hangar rentals that resulted from the construction of hangars

CAPITAL ASSETS

At the end of 2007, the Authority had invested \$6,999,265 in capital assets. (See Table A-3).

Table A-3
Authority's Capital Assets
(net of depreciation)
Governmental Activities

Land	\$1,193,746
Building	1,229,769
Infrastructure	6,943,644
Equipment	91,292
Accumulated Depreciation	2,459,186
Total	\$6,999,265

ASCENSION-ST. JAMES AIRPORT AND TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007

LONG TERM DEBT

In July of 2006 the Authority issued Tax Exempt Revenue Bonds; Series 2006A with total face value of \$755,000 and Series 2006B with total face value of \$15,000 bearing interest at 6%. Interest was paid on these bonds in January and July 2007. The first principal reduction is scheduled for July 2008. The bonds maturing on and after July 15, 2013 are subject to redemption prior to maturity, at the option of the Authority. As to the mandatory retirement of the bonds, the Authority is required by the bond documents to redeem the Bonds on July 15 of each of the years in the respective principal amounts set forth below:

7/15/2007	-0-
7/15/2008	5,000
7/15/2009	5,000
7/15/2010	5,000
7/15/2011	10,000
Thereafter	\$745,000

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Authority expects its operating revenues from hangar and tie down fees to increase due to the new hangars that were placed in service in January 2007. . The economy is not expected to generate any significant growth. Therefore, the Authority's future revenues are expected to be consistent with the current years. The budget for the 2007 – 2008 year is approximately the same as the year 2006 - 2007's budget for all items other than grants. Generally the grants are for specific projects or items and are not included in the operating budget.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Ms. Janet Gonzales at Ascension-St. James Airport and Transportation Authority, P.O. Box 911, Gonzales, LA 70707.

ASCENSION-ST. JAMES AIRPORT
AND TRANSPORTATION AUTHORITY
STATEMENT OF NET ASSETS
JUNE 30, 2007

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 142,749
Grants receivable	63,404
Accounts receivable	11,029
Short term investments - restricted	148,500
Capital Assets	
Land	1,193,746
Infrastructure	6,943,644
Buildings	1,229,769
Equipment	91,292
Accumulated depreciation	<u>(2,459,186)</u>
Total Capital Assets (net of depreciation)	<u>6,999,265</u>
Total Assets	<u>\$ 7,364,947</u>
LIABILITIES	
Accounts payable	\$ 65,243
Accrued expenses and benefits payable	513
Accrued interest payable	23,099
Deferred revenue	12,305
Current portion of Certificate of Indebtedness	0
Long-term Liabilities :	0
Certificate of Indebtedness	770,000
Unamortized discount on indebtedness	<u>(31,358)</u>
Total liabilities	<u>\$ 839,802</u>
NET ASSETS	
Invested in capital assets, net of related debt	6,229,265
Restricted for debt service	148,500
Unrestricted	<u>147,380</u>
Total net assets	<u>\$ 6,525,145</u>

The accompanying notes are an integral part of these financial statements

ASCENSION - ST. JAMES AIRPORT
AND TRANSPORTATION AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007

		<u>Program Revenues</u>	<u>Net (Expenses) Revenue and Changes in Net Assets</u>
		<u>Fees, Fines and Charges for Services</u>	<u>Governmental Activities</u>
<u>Expenses</u>			
Governmental:			
TRANSPORTATION			
Insurance	8,257 \$		\$
Per Diems	8,740		
Airport management	9,865		
Payroll and personnel	21,244		
Site maintenance	24,324		
Other expenses	7,805		
Depreciation	202,986		
Utilities and telephone	19,020		
Total operating expenses	302,241	132,042	(170,199)
Interest and fiscal charges	29,213		(29,213)
Total governmental activities	331,454 \$	132,042 \$	(199,412)
 General revenues:			
Grant income			129,509
Interest			19,704
Miscellaneous			3,054
Total general revenues and transfers			152,267
Change in net assets			(47,145)
Net assets - beginning			6,572,290
Net assets - ending		\$	6,525,145

The accompanying notes are an integral part of these financial statements.

**ASCENSION-ST JAMES AIRPORT
 AND TRANSPORTATION AUTHORITY
 BALANCE SHEET
 GOVERNMENTAL FUND
 June 30, 2007**

	General Fund
ASSETS	
Cash and cash equivalents	\$ 142,749
Grants receivable	63,404
Accounts receivable	11,029
Short term investments - restricted	148,500
Total Assets	<u>365,682</u>
LIABILITIES AND FUND BALANCE	
Accounts payable	65,243
Accrued expenses and benefits payable	513
Deferred revenue	12,305
Total liabilities	<u>78,061</u>
Fund balance:	
Reserved for debt service	148,500
Unreserved	139,121
Total Fund Balance	<u>287,621</u>
Total Liabilities and Fund Balance	<u>\$ 365,682</u>

The accompanying notes are an integral part of these financial statements.

ASCENSION - ST. JAMES AIRPORT AND TRANSPORTATION AUTHORITY

RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2007

Total fund balance for governmental fund \$ 287,621

Total net assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	1,193,746	
Infrastructure	6,943,644	
Buildings	1,229,769	
Equipment	91,292	
Accumulated depreciation	(2,459,186)	
Total capital assets		6,999,265

The bonds outstanding and related accrued interest are not due and payable in the current period and accordingly are not reported as fund liabilities

Bonds payable	\$ (770,000)	
Accrued interest on bonds payable	(23,099)	
Unamortized bond discount	31,358	
Total long term liabilities		(761,741)

Total net assets of governmental activities \$ 6,525,145

The accompanying notes are an integral part of these financial statements.

ASCENSION - ST. JAMES AIRPORT AND
TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2007

	<u>General Fund</u>
REVENUES	
Grant income	129,509
Service fees	132,042
Interest	19,704
Miscellaneous	3,054
Total revenues	<u>284,309</u>
EXPENDITURES	
Current:	
Transportation	105,369
Capital outlay	746,961
Total expenditures	<u>852,330</u>
Excess (deficiency) of revenues over expenditures	(568,021)
Other Financing Sources	
Proceeds from bond issue net of original issue discount	738,642
Net changes in fund balance	<u>170,621</u>
Fund balance - beginning	117,000
Fund balance - ending	<u>\$ 287,621</u>

The accompanying notes are an integral part of these financial statements.

ASCENSION - ST. JAMES AIRPORT AND TRANSPORTATION AUTHORITY
RECONCILIATION OF THE STATEMENTS OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2007

Net change in *fund balance* - total governmental fund \$ 170,621

The change in *net assets* for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities only the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays in the current period exceeded depreciation.

\$	746,961	
	<u>(202,986)</u>	
		543,975

Under the modified accrual basis of accounting used in the governmental funds interest on long-term debt is not recognized until due rather than as it accrues

Accrued interest	(23,099)
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Under the modified accrual basis of accounting used in the governmental funds, net proceeds from the issuance of debt is recognized as an other financing source. The full accrual statement of net assets, the full amount due is shown as a liability, which is offset by the unamortized portion of the original issue discount

Proceeds of bond issue	(738,642)
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Change in net assets of governmental activities	\$ <u><u>(47,145)</u></u>
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The accompanying notes are an integral part of these financial statements.

ASCENSION-ST. JAMES AIRPORT AND TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Ascension-St. James Airport and Transportation Authority (the Authority) was organized pursuant to RS 2:341 and operates a regional airport located near Gonzales, Louisiana. The accompanying financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of LRS 24:514 and the Louisiana Governmental Audit Guide.

The more significant of the Authority's accounting policies are described below:

A: FINANCIAL REPORTING ENTITY

The Authority was created, effective July 13, 1984 by Act 819 of the 1982 Legislative Session in the Executive Department of the state. The governor is responsible for appointing the members of the Authority, but the State's accountability for the Authority is limited to making these appointments. Therefore the Authority is not considered to be a component unit of the State of Louisiana.

The Authority serves the parishes of Ascension and St. James for airport services. The accompanying financial statements include government activities, organizations and functions for which the Authority is financially accountable.

ASCENSION-ST. JAMES AIRPORT AND TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B: BASIS FOR PRESENTATION AND ACCOUNTING

Government-wide Financial Statements: The Authority's activities generally are financed through fees for services and grants. The government-wide financial statements are reported using the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

The statement of activities presents a comparison between direct expenses and program revenues for the activities of the Authority.

Fund Financial Statements: The fund financial statements provide information about the Authority's activities, all of which are reported in the general fund. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and *available*. The Authority considers all revenues reported in the governmental funds to be available if the revenues are collected within ninety days after year-end. Service fees and grants are subject to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures only to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

ASCENSION-ST. JAMES AIRPORT AND TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2007

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C: CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits and time deposit accounts. The Authority considers short-term (maturity of 90 days or less), highly liquid investments as cash equivalents. Under state law, the District may deposit funds in demand deposits, interest bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana Law and national banks having their principal offices in Louisiana.

D: SHORT TERM INVESTMENTS

The Authority holds its funds restricted for servicing of bonds in J.P. Morgan US Treasury mutual funds. These funds are reported as short term investments – restricted.

E: CAPITAL ASSETS

All capital assets are capitalized at historical cost, or estimated historical cost for assets where actual cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Authority maintains a threshold level of \$500 or more for capitalizing capital assets.

Capital assets are recorded at cost in the statement of net assets. Capital asset acquisition costs are reflected as expenditures in governmental funds. All capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are generally sold for a nominal amount no salvage value is taken into consideration for depreciation purposes. Useful lives vary from five to forty years. Building and infrastructure are depreciated over ten to forty years.

ASCENSION-ST. JAMES AIRPORT AND TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E: CAPITAL ASSETS (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

F: BUDGET

The budget was approved by the board June 27, 2006. There were no amendments to the budget during the year. The accompanying Budgetary Comparison Schedule presents comparisons of the legally adopted budget with actual data. Because accounting principles applied for purposes of developing data on a budgetary basis differs significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis, timing, perspective, and entity differences in the excess of revenues and other sources of financial resources over expenditures and other uses of financial resources for the year ended June 30, 2007 is presented below:

<i>Excess of revenues and other sources of financial resources over expenditures and other uses of Resources (GAAP basis)</i>	<i>\$(47,145)</i>
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Adjustments:

*To adjust budgetary revenues for (increase) decrease in accrued income and
increase (decrease) in deferred revenue on GAAP basis:*

<i>Grant</i>	<i>(57,184)</i>
<i>Service fees</i>	<i>(11,029)</i>
<i>Deferred revenue</i>	<i>2,789</i>

<i>To adjust financing sources for increase in long term financing</i>	<i>738,642</i>
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To adjust expenditures for (increase) decrease in accrued expenses:

<i>Salaries</i>	<i>513</i>
<i>Insurance</i>	<i>(1,000)</i>
<i>Interest</i>	<i>23,099</i>
<i>Maintenance</i>	<i>(5,603)</i>

ASCENSION-ST. JAMES AIRPORT AND TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F: BUDGET (Continued)

<i>Accounts payable capital outlay</i>	54,608
<i>To adjust capital outlay and depreciation capital outlay capitalized in statement of net assets</i>	(755,561)
<i>Depreciation recorded in statement of activities</i>	202,986
<i>Excess of revenues and other sources of financial resources over expenditures and other uses of financial resources (budgetary basis)</i>	\$ <u>145,115</u>

G: USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

H: LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds consist of certificates of indebtedness issued in July 2006.

I: FUND EQUITY

Fund balances consist of amounts restricted for debt service and undesignated balances.

ASCENSION-ST. JAMES AIRPORT AND TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J: SERVICE FEES

Service fees include hangar, office and tie down rentals as well as fuel commissions and miscellaneous revenues. These are accounted for in the Authority's Statement of Activities as program revenues.

K: DEFERRED REVENUE

Income from hangar rentals and tie down fees is deferred and recognized over the periods to which the dues and fees relate.

L: FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial instruments classified as current assets or liabilities, including cash and cash equivalents, short-term investments, accounts receivable, and accounts payable and accrued expenses approximate carrying value, principally because of the short maturity of those items.

2. CASH AND CASH EQUIVALENTS

At June 30, 2007 the Authority's cash and cash equivalents

Book	Bank
Balance	Balance
\$142,749	\$153,205

Under state law, federal deposit insurance or the pledge of securities owned by the fiscal agent bank must secure these bank balances. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. These deposits are secured from risk by \$100,000 of federal deposit insurance and approximately \$60,000 of pledged securities held by the trust department of the fiscal agent bank. Louisiana Revised Statute 39:1229 imposes a statutory

ASCENSION-ST. JAMES AIRPORT AND TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2007

2. CASH AND CASH EQUIVALENTS (continued)

Requirement on the trust department of the fiscal agent bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

3. SHORT TERM INVESTMENTS – RESTRICTED

In July of 2006, bonds in the amount of \$770,000 bearing the interest rate of 6% were issued. As required by the bond document, certain treasury securities are held at the trustee bank for the payment of principal and interest on the retirement of these bonds. The balance of these investments at June 30, 2007 was \$148,500. Accordingly, that amount of the fund balance and net assets are accounted for in the accompanying statements as restricted.

4. RECEIVABLES

Receivables at June 30, 2007 were as follows:

Hangar rentals	\$ 2,429
Other receivable	8,600
Grants receivable	<u>63,404</u>
	\$ <u>74,433</u>

The Authority considers all the amounts to be collectible. Therefore no allowance for uncollectible accounts is recorded.

ASCENSION-ST. JAMES AIRPORT AND TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2007

5. CAPITAL ASSETS

A summary of changes in general fixed assets follows:

Equipment	\$42,616	\$48,676	(\$ -)	\$91,292
Buildings	568,453	661,316,		1,229,769
Infrastructure	6,906,675	36,969	-	6,943,644
Land	1,193,746	-	-	1,193,746
Depreciation	(2,256,200)	(202,986)	-	(\$2,459,186)
	<u>\$6,455,290</u>	<u>\$543,975</u>	<u>(\$ -)</u>	<u>\$6,999,265</u>

Depreciation expense recorded for the year ended June 30, 2007 was \$202,986. The additions include \$659,956 for the construction of sixteen hangars.

6: LONG-TERM OBLIGATIONS

The long term obligation outstanding at June 30, 2007 is as a result of the issuance of Tax-Exempt Revenue Bonds totaling \$770,000 in July 2006. The bonds bear an interest rate of 6%. Interest on the bonds are payable in semi annual payments in January and July of each year. The first principle reduction is scheduled for July 15, 2008 in the amount of \$5,000. The bonds maturing on and after July 15, 2013 are subject to redemption prior to maturity, at the option of the Authority. As to the mandatory retirement of the bonds, the Authority is required by the bond documents to redeem the Debt service payments of each of the years in the respective principal amounts set forth below:

ASCENSION-ST. JAMES AIRPORT AND TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2007

6: LONG-TERM OBLIGATIONS (continued)

Twelve Months Ending	Principal	Interest
7/15/2007	\$ -0-	\$ 45,558
7/15/2008	\$ 5,000	\$ 46,200
7/15/2009	\$ 5,000	\$ 45,900
7/15/2010	\$ 5,000	\$ 45,600
7/15/2011	\$ 5,000	\$ 45,300
7/15/2012 through 7/15/2016	\$ 50,000	\$ 219,000
7/15/2017 through 7/15/2021	\$ 90,000	\$200,100
7/15/2022 through 7/15/2026	\$ 120,000	\$169,200
7/15/2027 through 7/15/2031	\$ 205,000	\$123,900
7/15/2032 through 7/15/2036	\$ 285,000	\$ 53,400

Par value on the bonds totaled \$770,000. Proceeds from the bonds were \$737,136. The difference of \$32,864 was recorded as a discount on the issuance of the bond. This difference is amortized as interest over the life of the bonds. During the year ended June 30, 2007 \$47,064 of interest was recognized. Of that amount \$27,500 was capitalized as cost of the hangars and \$19,564 was recognized as current period interest expense.

The revenue from renting the hangars built during the year is pledged to repay the bonds.

ASCENSION-ST. JAMES AIRPORT AND TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2007

7. RELATED PARTY TRANSACTIONS

Per Diems totaling \$7,725 were paid during the year ended June 30, 2007 to Authority members as follows:

Nicky Prejean	\$	975	Curtis Deroche	\$	975
Dale Hymel, Sr.	\$	975	Judy McLane	\$	675
			George		
Eileen Jasmin	\$	675	Rodeillat	\$	900
Shafter Kling	\$	825	Calvin Narcisse	\$	750
Robert Jackson	\$	975			

The Authority chairman is the owner of a business which provides services to the airport. During the year ended June 30, 2007, this company provided goods and services to the airport at no charge. The value of the goods and services was \$1,418. Due to the immaterial amount of the goods and services, no revenue and expenditure is recorded in the accompanying financial statements.



Latuso & Johnson, CPA, LLC

114 E. Ascension Street Gonzales, La 70737 225-647-2824	6230 Perkins Road Baton Rouge, La 70808 225-329-2491	11929 Bricksome Avenue Baton Rouge, La 70816 225-293-8300	850 Kaliste Saloom Road Lafayette, La 70508 337-269-6032
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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Members
Ascension – St. James Airport
And Transportation Authority

We have audited the financial statements of the governmental activities, of the Ascension – St. James Airport And Transportation Authority (the Authority), as of and for the year ended June 30, 2007, which comprises the Authority's basic financial statements and have issued our report thereon dated January 23, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Authority's financial statements that is more than inconsequential will not be prevented or detected by the Authority's internal control. We consider the deficiencies described below to be significant deficiencies in internal control over financial reporting.

Lack of Segregation of Duties

Due to the size of the Authority, there is only one person primarily responsible for the accounting. This person by necessity performs many incompatible duties. This is somewhat mitigated due to the fact that the bookkeeping is performed offsite by independent CPAs.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Authority's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is not a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are below.

LATE SUBMISSION OF FINANCIAL STATEMENTS

Louisiana law requires financial statements be submitted within six months after the end of the fiscal year. The Agency did not submit audited financial statements by that date.

This report is intended solely for the information and use of management, members of the Authority, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Latus & Johnson, CPA, LLC

January 23, 2008

Gonzales Louisiana

REQUIRED SUPPLEMENTARY INFORMATION

ASCENSION - ST. JAMES AIRPORT AND TRANSPORTATION AUTHORITY
Non GAAP Basis
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actual Budgetary Basis	Variances with Final Budget Positive (Negative)
REVENUES				
Hangar Rent and Tie Down Fee	\$ 108,420	\$ 106,420	\$ 112,449	\$ 6,029
Fuel Sales	5,750	5,750	6,858	1,208
Land Lease	4,770	4,770	3,795	(975)
Office Rental	300	300	600	300
Other Income			3,054	3,054
Interest			19,704	19,704
Grant	117,000	117,000	72,325	(44,675)
Total revenues	<u>234,240</u>	<u>234,240</u>	<u>218,886</u>	<u>(15,355)</u>
EXPENDITURES				
Per Diem	9,000	9,000	8,740	260
Personnel	20,500	20,500	20,731	(231)
Airport Management	10,000	10,000	9,865	135
Professional fees	3,000	3,000	3,975	(975)
Legal	500	500	-	500
Utilities and Telephone	23,500	23,500	19,020	4,480
Maintenance	29,100	29,100	29,927	(827)
Ascension Mutual Aid	400	400	-	400
Office Supplies	3,740	3,740	2,097	1,643
Insurance	7,000	7,000	9,257	(2,257)
Debt Service			6,114	
Depreciation expense			-	
Conference & Meetings	2,500	2,500	1,733	767
Capital outlay	<u>125,000</u>	<u>125,000</u>	<u>700,953</u>	<u>(575,953)</u>
Total expenditures	<u>234,240</u>	<u>234,240</u>	<u>812,412</u>	<u>(572,058)</u>
Excess (deficiency) of revenues over expenditures	-	-	(593,527)	556,703
OTHER FINANCING SOURCES (USES)				
Certificate of Indebtedness - Issued			738,642	
Total other financing sources (uses)	-	-	<u>738,642</u>	-
Net changes in fund balances	-	-	145,115	556,703
Fund balance - beginning	-	-		
Fund balance - ending	\$ -	\$ -	\$ <u>145,115</u>	\$ <u>556,703</u>